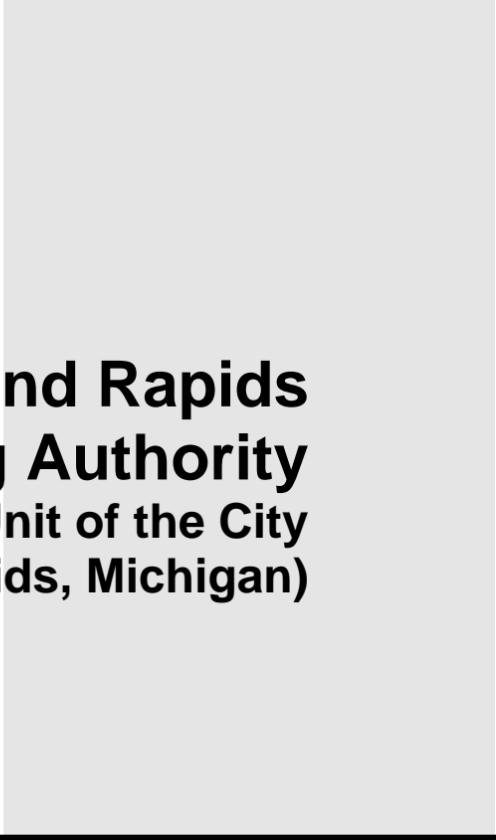


**City of Grand Rapids  
Building Authority  
(A Component Unit of the City  
of Grand Rapids, Michigan)**

**Financial Statements**  
For the Year Ended June 30, 2008



**BDO Seidman, LLP**  
Accountants and Consultants



**City of Grand Rapids  
Building Authority**  
(A Component Unit of the City  
of Grand Rapids, Michigan)

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**Financial Statements**  
For the Year Ended June 30, 2008

# **City of Grand Rapids Building Authority** **(A Component Unit of the City of** **Grand Rapids, Michigan)**

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**BDO Seidman, LLP**  
Accountants and Consultants

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Telephone: (616) 774-7000  
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## **Independent Auditors' Report**

Members of the City of Grand Rapids Building Authority  
Grand Rapids, Michigan

We have audited the accompanying financial statements of the City of Grand Rapids Building Authority (the Authority), a component unit of the City of Grand Rapids, Michigan as of and for the year ended June 30, 2008. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Grand Rapids Building Authority at June 30, 2008, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*BDO Seidman, LLP*

Grand Rapids, Michigan  
December 1, 2008

## Management's Discussion and Analysis

As management of the City of Grand Rapids Building Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2008. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements.

The statement of net assets presents information on the Authority's assets and liabilities, with the difference between the two reported as net assets.

The statement of revenues, expenses and changes in net assets presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of cash flows presents information showing the Authority's cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

### Condensed Statement of Net Assets

	2008	2007
Current and other assets	\$ 4,271,093	\$ 10,499,785
Leases receivable, net	90,922,841	87,741,560
Capital assets, net	6,515,210	11,964,487
<b>Total Assets</b>	<b>101,709,144</b>	<b>110,205,832</b>
Current liabilities	1,593,542	2,806,044
Deferred revenue	5,420,601	8,338,932
Premium on bonds	272,141	290,506
Bonds payable, net	96,609,540	101,113,189
<b>Total Liabilities</b>	<b>103,895,824</b>	<b>112,548,671</b>
<b>Net Assets (Deficit)</b>		
Restricted	2,131,485	1,928,501
Unrestricted	(4,318,165)	(4,271,340)
<b>Total Net Assets (Deficit)</b>	<b>\$ (2,186,680)</b>	<b>\$ (2,342,839)</b>

The Authority's total assets decreased by \$8.5 million, total liabilities decreased by nearly \$8.7 million, and total net assets increased by just over \$150,000.

The Authority's current and other assets decreased by \$6.2 million or 59.3%. The major decrease in pooled cash and investments was in the Cherry Commerce Parking Ramp project, which was completed at year-end and had expended nearly all of its funds.

The Authority's leases receivable increased nearly \$3.2 million or 3.6% due to the addition of a \$7.3 million lease to the City of Grand Rapids for the Cherry Commerce Parking Ramp and the reduction of the scheduled lease receipts from the City for the other leases.

Capital assets decreased approximately \$5.4 million. This is the result of transferring the Cherry Commerce Parking Ramp to the City.

The Authority's current liabilities decreased \$1.2 million or 43.2%. The decrease is mainly due to the large amount of vouchers payable for the Cherry Commerce Ramp in the last fiscal year and just a few last remaining invoices to be paid after the completion of the project this fiscal year.

Deferred revenue decreased by almost \$3 million. This decrease represents advanced lease payments related to the closure of the Cherry Commerce Parking Ramp project and the recognition of the revenue.

The \$4.5 million decrease in bonds payable is due to scheduled debt service principal payments.

## Condensed Statement of Revenues, Expenses and Changes in Net Assets

	2008	2007
Operating expenses	\$ (137,488)	\$ (132,020)
Nonoperating revenues	7,942,352	5,018,163
Nonoperating expenses	(7,648,705)	(5,024,977)
Income (loss) before transfers	156,159	(138,834)
Transfers out	-	(302,863)
Change in net assets	156,159	(441,697)
<b>Total Net Deficit, beginning of year</b>	<b>(2,342,839)</b>	<b>(1,901,142)</b>
<b>Total Net Deficit, end of year</b>	<b>\$ (2,186,680)</b>	<b>\$ (2,342,839)</b>

The \$2.9 million or 58.3% increase in nonoperating revenues is mainly due to the recognition of revenue in the Cherry Commerce Parking Ramp project that was deferred during construction.

Nonoperating expenses increased by \$2.6 million or 52.2%. The increase is almost entirely related to the closing of the Cherry Commerce Parking Ramp project when the costs in excess of the lease to the City of Grand Rapids were recorded.

## **Capital Assets and Debt Administration**

On June 30, 2008, the Authority had \$6.5 million in net capital assets for the Community Archive and Research Center Phase II. The building is substantially complete and in use; however, changes in management at the Public Museum have prolonged the final construction of the building and the lease to the City.

On June 30, 2008, the Authority had bonds outstanding of \$97,700,000, compared to \$102,295,000 in fiscal year 2007.

See Notes 5 and 6 to the financial statements for additional information related to capital assets and long-term debt.

## **Next Year**

For the next fiscal year, the Authority will continue with the Community Archive and Research Center Phase II, which was the only open and ongoing project at the end of the fiscal year. The Authority is also planning the issuance of new bonds for construction of another parking ramp at Weston and Commerce. The design of the proposed project has the ramp lined with two mixed-use buildings. This unique public and private coordinated development combines urban retail, living and office spaces with convenient parking while maintaining attractive curb appeal.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Grand Rapids Building Authority finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Grand Rapids Comptroller's Department, 300 Monroe NW, Grand Rapids, Michigan 49503.

# Financial Statements



<i>June 30, 2008</i>	Two New Pools	Government Center Ramp/ Refundings	Ottawa/ Fulton Parking Ramp	Library Facility Improvements
<b>Assets</b>				
Equity in pooled cash and investments (Note 3)	\$ -	\$ -	\$ -	\$ -
Investments held by trustee (Note 3)	-	-	-	-
Total cash and investments	-	-	-	-
Interest receivable	-	-	-	-
Leases receivable (Note 4)	540,725	3,654,790	6,483,331	18,676,222
Less discount on leases receivable	-	(59,157)	-	-
Less unearned interest charges	(19,477)	(241,538)	(1,617,237)	(4,246,523)
Net leases receivable	521,248	3,354,095	4,866,094	14,429,699
Other assets	8,679	83,370	54,045	83,496
Capital assets (Note 5)				
Construction in progress	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Less accumulated depreciation	-	-	-	-
Net capital assets	-	-	-	-
<b>Total Assets</b>	<b>\$ 529,927</b>	<b>\$ 3,437,465</b>	<b>\$ 4,920,139</b>	<b>\$ 14,513,195</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued interest payable	6,248	28,252	56,094	174,699
Deferred revenue	-	-	-	-
Premium on bonds	-	-	-	61,699
Bonds payable, net (Note 6)	515,000	3,194,804	4,616,879	14,255,000
Total liabilities	521,248	3,223,056	4,672,973	14,491,398
<b>Net Assets (Deficit)</b>				
Restricted for:				
Debt service	8,679	214,409	247,166	21,797
Unrestricted	-	-	-	-
Total net assets (deficit)	8,679	214,409	247,166	21,797
<b>Total Liabilities and Net Assets</b>	<b>\$ 529,927</b>	<b>\$ 3,437,465</b>	<b>\$ 4,920,139</b>	<b>\$ 14,513,195</b>

# City of Grand Rapids Building Authority

## (A Component Unit of the City of Grand Rapids, Michigan)

### Statement of Net Assets

Archive & Research Center Phase I	Archive & Research Center Phase II	Monroe Center II Ramp	Police Facilities Building	Condo II Building	Cherry/ Commerce Parking Ramp	Total
\$ -	\$ 1,178,535	\$ -	\$ -	\$ -	\$ 152,383	\$ 1,330,918
-	-	-	-	1,115,085	-	1,115,085
-	1,178,535	-	-	1,115,085	152,383	2,446,003
-	12,760	-	-	-	6,187	18,947
1,756,448	-	17,673,831	27,012,582	57,964,521	12,529,823	146,292,273
-	-	-	-	(5,231,172)	-	(5,290,329)
(424,604)	-	(8,407,387)	(7,268,181)	(22,654,892)	(5,199,264)	(50,079,103)
1,331,844	-	9,266,444	19,744,401	30,078,457	7,330,559	90,922,841
39,515	30,510	164,302	120,068	991,405	230,753	1,806,143
-	5,009	-	-	-	-	5,009
-	6,909,320	-	-	-	-	6,909,320
-	2,410	-	-	-	-	2,410
-	(401,529)	-	-	-	-	(401,529)
-	6,515,210	-	-	-	-	6,515,210
\$ 1,371,359	\$ 7,737,015	\$ 9,430,746	\$ 19,864,469	\$ 32,184,947	\$ 7,719,882	\$ 101,709,144
\$ -	\$ 49,008	\$ -	\$ -	\$ -	\$ 152,383	\$ 201,391
16,844	33,981	116,444	434,401	449,629	75,559	1,392,151
-	5,420,601	-	-	-	-	5,420,601
-	-	-	36,476	173,966	-	272,141
1,315,000	2,845,000	9,150,000	19,310,000	34,152,857	7,255,000	96,609,540
1,331,844	8,348,590	9,266,444	19,780,877	34,776,452	7,482,942	103,895,824
39,515	-	164,302	83,592	1,115,085	236,940	2,131,485
-	(611,575)	-	-	(3,706,590)	-	(4,318,165)
39,515	(611,575)	164,302	83,592	(2,591,505)	236,940	(2,186,680)
\$ 1,371,359	\$ 7,737,015	\$ 9,430,746	\$ 19,864,469	\$ 32,184,947	\$ 7,719,882	\$ 101,709,144

*See accompanying notes to financial statements.*

<i>Year ended June 30, 2008</i>	Two New Pools	Government Center Ramp/ Refundings	Ottawa/ Fulton Parking Ramp	Library Facility Improvements
<b>Operating Expenses</b>				
Depreciation	\$ -	\$ -	\$ -	\$ -
Operating loss	-	-	-	-
<b>Nonoperating Revenues (Expenses)</b>				
Interest earned on leases receivable	30,630	144,508	229,876	735,315
Interest revenue	-	-	-	-
Other revenues	-	-	-	-
Interest on bonds payable	(30,630)	(144,508)	(229,876)	(735,315)
Costs in excess of lease receivable	-	-	-	-
Other expenses	(4,340)	(42,882)	(18,346)	(2,180)
Total nonoperating revenues (expenses) - net	(4,340)	(42,882)	(18,346)	(2,180)
Changes in net assets	(4,340)	(42,882)	(18,346)	(2,180)
<b>Total Net Assets (Deficit), beginning of year</b>	13,019	257,291	265,512	23,977
<b>Total Net Assets (Deficit), end of year</b>	\$ 8,679	\$ 214,409	\$ 247,166	\$ 21,797

# City of Grand Rapids Building Authority

## (A Component Unit of the City of Grand Rapids, Michigan)

### Statement of Revenues, Expenses and Changes in Net Assets

Archive & Research Center Phase I	Archive & Research Center Phase II	Monroe Center II Ramp	Police Facilities Building	Condo II Building	Cherry/ Commerce Parking Ramp	Total
\$ -	\$ 137,488	\$ -	\$ -	\$ -	\$ -	\$ 137,488
-	(137,488)	-	-	-	-	(137,488)
71,515	-	465,778	1,066,550	1,821,333	304,636	4,870,141
-	61,227	-	-	41,604	-	102,831
-	390	-	-	251,647	2,717,343	2,969,380
(71,515)	(140,639)	(465,778)	(1,066,550)	(1,811,740)	(304,636)	(5,001,187)
-	-	-	-	-	(2,480,403)	(2,480,403)
(3,592)	(1,027)	(6,847)	(6,966)	(80,935)	-	(167,115)
(3,592)	(80,049)	(6,847)	(6,966)	221,909	236,940	293,647
(3,592)	(217,537)	(6,847)	(6,966)	221,909	236,940	156,159
43,107	(394,038)	171,149	90,558	(2,813,414)	-	(2,342,839)
\$ 39,515	\$ (611,575)	\$ 164,302	\$ 83,592	\$ (2,591,505)	\$ 236,940	\$ (2,186,680)

*See accompanying notes to financial statements.*

<i>Year ended June 30, 2008</i>	Two New Pools	Government Center Ramp/ Refundings	Ottawa/ Fulton Parking Ramp	Library Facility Improvements
<b>Cash for Noncapital Activity</b>				
Transfers to other funds	\$ -	\$ -	\$ -	\$ -
<b>Cash From (for) Capital and Related Financing Activities</b>				
Received from lessee	270,630	1,269,508	504,876	1,565,315
Miscellaneous	-	-	-	-
Construction in progress	-	-	-	-
Principal paid on capital debt	(240,000)	(1,125,000)	(275,000)	(830,000)
Interest paid on capital debt	(30,630)	(144,508)	(229,876)	(735,315)
Net cash from (for) capital and related financing activities	-	-	-	-
<b>Cash From Investing Activity</b>				
Interest received	-	-	-	-
Net increase (decrease) in equity in pooled cash and investments	-	-	-	-
<b>Equity in Pooled Cash and Investments, beginning of year</b>	-	-	-	-
<b>Equity in Pooled Cash and Investments, end of year</b>	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of Operating Loss to Net Cash From Operating Activities</b>				
Operating loss	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation expense	-	-	-	-
<b>Net Cash From Operating Activities</b>	\$ -	\$ -	\$ -	\$ -

# City of Grand Rapids Building Authority

## (A Component Unit of the City of Grand Rapids, Michigan)

### Statement of Cash Flows

Archive & Research Center Phase I	Archive & Research Center Phase II	Monroe Center II Ramp	Police Facilities Building	Condo II Building	Cherry/ Commerce Parking Ramp	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (532,186)	\$ (532,186)
161,515	255,639	465,778	2,076,550	2,611,333	424,636	9,605,780
-	390	-	-	-	-	390
-	(303,372)	-	-	-	(5,506,672)	(5,810,044)
(90,000)	(115,000)	-	(1,010,000)	(790,000)	(120,000)	(4,595,000)
(71,515)	(140,639)	(465,778)	(1,066,550)	(1,811,740)	(304,636)	(5,001,187)
-	(302,982)	-	-	9,593	(5,506,672)	(5,800,061)
-	49,528	-	-	41,604	119,302	210,434
-	(253,454)	-	-	51,197	(5,919,556)	(6,121,813)
-	1,431,989	-	-	1,063,888	6,071,939	8,567,816
\$ -	\$ 1,178,535	\$ -	\$ -	\$ 1,115,085	\$ 152,383	\$ 2,446,003
\$ -	\$ (137,488)	\$ -	\$ -	\$ -	\$ -	\$ (137,488)
-	137,488	-	-	-	-	137,488
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*See accompanying notes to financial statements.*

# City of Grand Rapids Building Authority (A Component Unit of the City of Grand Rapids, Michigan)

## Notes to Financial Statements

### 1. Reporting Entity

The City of Grand Rapids Building Authority (the Authority), a component unit of the City of Grand Rapids, Michigan (the City), was created by the City under the provisions of Act 31, Public Acts of Michigan, 1948 (First Extra Session), as amended. The purpose of the Authority is to acquire, construct, furnish, equip, operate and maintain buildings for any legitimate public purpose of the City. The Authority is authorized by statute to issue bonds to finance its activities. The bond principal and interest is to be paid from lease payments made by the City to the Authority.

The Authority is involved in the following projects:

**Two New Pools:** New pools at Richmond and Briggs Parks.

**Government Center Ramp/Refundings:** Reconstruction of the Government Center Parking Ramp. Five fire stations, including those located at Leonard Street/Covell Avenue, Kalamazoo Avenue/28th Street, LaGrave Avenue SE, Monroe Avenue/Leonard Street, and Franklin Street/Ionia Avenue. Reconstruction of the Public Service Center located on Market Avenue SW. Two parking facilities, including the Campau Square Parking Facility and the Pearl/Ionia Parking Facility. New pool facility at Martin Luther King Park.

**Ottawa/Fulton Parking Ramp:** Construction of a new parking facility at Ottawa Avenue/Fulton Street.

**Library Facility Improvements:** Reconstruction of the Main Library in downtown Grand Rapids. Reconstruction of the Ottawa Hills and Yankee Clipper Branches. Construction of new facilities at Seymour Square, Madison/Hall, Creston and Leonard Street NW.

**Archive & Research Center Phase I:** Construction of a new archival and storage facility on Jefferson SE intended to house artifacts of the Grand Rapids Public Museum and City and County of Kent records.

**Archive & Research Center Phase II:** Construction of a three-story addition to the front of the Phase I building and renovation of the west and central buildings of the former Museum.

# City of Grand Rapids Building Authority (A Component Unit of the City of Grand Rapids, Michigan)

## Notes to Financial Statements

**Monroe Center II Ramp:** Construction of a new 548-space parking structure at Ionia and Louis NW.

**Police Facilities Building:** Acquisition and renovation of the Police Facilities Building located at 1 Monroe Center NW, including furniture, fixtures and equipment.

**Condo II Building:** Lease of the Condo II portion of the building located at 1 North Division.

**Cherry/Commerce Parking Ramp:** Construction of a new parking facility at Cherry and Commerce.

## 2. Summary of Significant Accounting Policies

### *Measurement Focus and Financial Statement Presentation*

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

### *Budget*

The budget for the Authority is a project budget rather than an annual budget. Therefore, budget to actual information has not been reflected in the financial statements.

### *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### *Cash and Investments*

Cash resources of the City and component units are managed by the City Treasurer in an internal investment pool. Each fund's equity in this pool is deemed to be a cash equivalent for financial reporting purposes because cash may be withdrawn at any time without prior notice or penalty. Bank deposits are stated at cost plus compounded interest

# **City of Grand Rapids Building Authority**

## **(A Component Unit of the City of Grand Rapids, Michigan)**

### **Notes to Financial Statements**

received and investments are stated at fair value. Interest income earned on the Authority's funds within the investment pool is distributed to the Authority.

#### ***Capital Assets***

Capital assets include land, buildings, equipment and furniture, and are valued at historical cost or estimated cost if actual historical cost is not available. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Construction costs are capitalized when incurred. Interest on bonds during construction periods is capitalized net of any interest earned. At June 30, 2008, the Authority held capital assets in one project. The Community Archive and Research Center Phase II was in service but not yet leased to the City of Grand Rapids. All other capital assets have been leased to the City of Grand Rapids.

### **3. Cash and Investments**

#### ***Equity in Pooled Cash and Investments***

The City maintains an investment pool for most City funds and component units. The Authority's \$1.3 million portion of the investment pool is displayed on the balance sheet as equity in pooled cash and investments. Pooled investments consist mainly of certificates of deposit, money market accounts and commercial paper. State statutes require that bank balances and certificates of deposit be maintained in financial institutions with offices in the State of Michigan. Interest income earned as a result of cash and investment pooling is distributed to the appropriate funds.

Investment policies, risk parameters, and categorization of cash and investments are included in the Comprehensive Annual Financial Report of the City of Grand Rapids to give an indication of the level of risk assumed by the City at year-end. It is not feasible to allocate the level of risk to the various component units of the City.

# City of Grand Rapids Building Authority

## (A Component Unit of the City of Grand Rapids, Michigan)

### Notes to Financial Statements

#### *Investments Held by Trustee*

As of June 30, 2008, the Authority had the following investments held by a trustee:

<i>Investment</i>	<i>Maturity Date</i>	<i>Fair Value</i>
Fifth Third Inst'l Gov't PFD	-	\$ 292,276
United State Treasury Notes	9/30/2008	822,809
		\$ 1,115,085

*Interest Rate Risk* - Interest rate risk is the exposure of investments to change in the market value as interest rates change. The Authority has not adopted a formal investment policy, and therefore funds are invested under the City of Grand Rapids investment policy, which limits maturities of each investment to no longer than three years to minimize interest rate risk. However, for the Authority's investments at June 30, 2008, the interest rate risk is further minimized because the investments must be timed to mature semi-annually when payments are due to the bond holders.

*Credit Risk* - Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. This risk is minimized by the City's investment policy which only allows Money Market Mutual Funds which are rated AAA by two or more of the nationally recognized statistical rating organizations. At June 30, 2008, only 26.21% of the Authority's investments held by a trustee was subject to credit risk, the majority was held in United State Treasury Notes which are not subject to credit risk.

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority may not be able to recover the value of its investments that are in possession of an outside party. At June 30, 2008, all investments were held by the Authority's agents in the Authority's name.

#### **4. Leases Receivable**

The Authority leases facilities to the City under contracts capitalized as direct financing leases. The lease payments are pledged solely for payment of the maturing bonds and interest. When the bonds issued by the Authority to finance the facilities have been retired, title to the facilities will be conveyed to the City of Grand Rapids. The City is required to pay all operating expenses of the property. The net leases receivable for certain projects have been reduced in an amount equal to excess cash in those projects as

# City of Grand Rapids Building Authority

## (A Component Unit of the City of Grand Rapids, Michigan)

### Notes to Financial Statements

the intent of the Authority is to require payments from the City in amounts necessary to meet maturing bond and interest payments less application of any cash available to meet those payments.

At June 30, future minimum lease payments receivable under direct financing leases are as follows:

<i>Fiscal Year</i>	Two New Pools	Government Center Ramp/ Refundings	Ottawa/ Fulton Parking Ramp	Library Facility Improvements
2009	\$ 264,110	\$ 1,268,007	\$ 498,776	\$ 1,613,795
2010	276,615	1,273,358	501,908	1,663,077
2011	-	373,325	503,857	1,712,350
2012	-	371,432	500,076	1,766,750
2013	-	368,668	500,748	1,816,500
2014-2018	-	-	2,480,008	10,103,750
2019-2021	-	-	1,497,958	-
	\$ 540,725	\$ 3,654,790	\$ 6,483,331	\$ 18,676,222

<i>Fiscal Year</i>	Archive & Research Center Phase I	Monroe Center II Ramp	Police Facilities Building	Condo II Building	Cherry/ Commerce Parking Ramp
2009	\$ 162,375	\$ 465,778	\$ 2,077,388	\$ 2,647,754	\$ 434,536
2010	162,815	465,778	2,075,573	2,688,757	434,036
2011	157,815	504,902	2,080,560	2,739,625	433,336
2012	157,815	508,043	2,076,563	2,785,240	432,437
2013	157,565	506,074	2,078,706	2,796,138	436,236
2014-2018	800,188	2,567,343	10,387,592	13,912,920	2,172,294
2019-2023	157,875	3,569,607	6,236,200	13,852,894	2,160,972
2024-2028	-	5,044,753	-	13,794,293	2,157,857
2029-2033	-	4,041,553	-	2,746,900	2,150,206
2034-2037	-	-	-	-	1,717,913
	\$ 1,756,448	\$ 17,673,831	\$ 27,012,582	\$ 57,964,521	\$ 12,529,823

# City of Grand Rapids Building Authority (A Component Unit of the City of Grand Rapids, Michigan)

## Notes to Financial Statements

### 5. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Capital assets not being depreciated				
Construction in progress	\$ 5,665,251	\$ 5,009	\$ 5,665,251	\$ 5,009
Capital assets being depreciated				
Buildings	6,560,867	348,453	-	6,909,320
Equipment	2,410	-	-	2,410
Total capital assets being depreciated	6,563,277	348,453	-	6,911,730
Less accumulated depreciation				
Buildings	262,436	136,683	-	399,119
Equipment	1,605	805	-	2,410
Total accumulated depreciation	264,041	137,488	-	401,529
Total capital assets being depreciated, net	6,299,236	210,965	-	6,510,201
<b>Total Capital Assets, net</b>	<b>\$ 11,964,487</b>	<b>\$ 215,974</b>	<b>\$ 5,665,251</b>	<b>\$ 6,515,210</b>

Estimated cost to complete the construction in progress is \$1.1 million.

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# City of Grand Rapids Building Authority

## (A Component Unit of the City of Grand Rapids, Michigan)

### Notes to Financial Statements

#### 6. Bonds Payable

Changes in bonds payable for the year ended June 30, 2008 are as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Two New Pools	\$ 755,000	\$ -	\$ 240,000	\$ 515,000	\$ 245,000
Government Center Ramp/ Refundings	4,510,000	-	1,125,000	3,385,000	1,155,000
Ottawa/Fulton Parking Ramp	5,085,000	-	275,000	4,810,000	280,000
Library Facility Improvements	15,085,000	-	830,000	14,255,000	915,000
Archive & Research Center Phase I	1,405,000	-	90,000	1,315,000	95,000
Archive & Research Center Phase II	2,960,000	-	115,000	2,845,000	120,000
Monroe Center II Ramp	9,150,000	-	-	9,150,000	-
Police Facilities Building	20,320,000	-	1,010,000	19,310,000	1,060,000
Condo II Building	35,650,000	-	790,000	34,860,000	865,000
Cherry/Commerce Parking Ramp	7,375,000	-	120,000	7,255,000	135,000
	\$ 102,295,000	\$ -	\$ 4,595,000	\$ 97,700,000	\$ 4,870,000

The following is a summary of bonds outstanding at June 30, 2008.

	Maturity Dates	Interest Rates	Outstanding Balance
Two New Pools	10/08 to 10/09	4.80 - 4.90%	\$ 515,000
Government Center Ramp/Refundings	04/09 to 04/13	3.00 - 3.85	3,385,000
Ottawa/Fulton Parking Ramp	10/08 to 10/20	4.00 - 5.10	4,810,000
Library Facility Improvements	04/09 to 04/18	4.45 - 5.00	14,255,000
Archive & Research Center Phase I	04/09 to 04/19	4.80 - 5.25	1,315,000
Archive & Research Center Phase II	04/09 to 04/22	4.20 - 5.10	2,845,000
Monroe Center II Ramp	10/10 to 10/31	4.38 - 5.13	9,150,000
Police Facilities Building	08/08 to 08/20	4.75 - 5.75	19,310,000
Condo II Building	10/08 to 10/28	3.38 - 5.75	34,860,000
Cherry/Commerce Parking Ramp	10/08 to 10/36	4.00 - 4.50	7,255,000
			97,700,000
Deferred amounts on refunding			
Government Center Parking Ramp			(190,196)
Ottawa/Fulton Parking Ramp			(193,121)
Condo II Building			(707,143)
<b>Bonds Payable</b>			<b>\$ 96,609,540</b>

# City of Grand Rapids Building Authority

## (A Component Unit of the City of Grand Rapids, Michigan)

### Notes to Financial Statements

These bonds are collateralized by annual lease payments on the respective projects which are sufficient to pay principal and interest on the bonds. The annual requirements to pay principal and interest on outstanding bonds payable at June 30 are as follows:

<i>Year ending June 30,</i>	Principal	Interest	Total
2009	\$ 4,870,000	\$ 4,818,443	\$ 9,688,443
2010	5,180,000	4,617,799	9,797,799
2011	4,365,000	4,401,280	8,766,280
2012	4,655,000	4,202,924	8,857,924
2013	4,945,000	3,978,904	8,923,904
2014-2018	27,780,000	15,943,979	43,723,979
2019-2023	19,935,000	9,037,581	28,972,581
2024-2028	16,425,000	4,571,904	20,996,904
2029-2033	7,965,000	973,659	8,938,659
2034-2037	1,580,000	137,913	1,717,913
	<b>\$ 97,700,000</b>	<b>\$ 52,684,386</b>	<b>\$150,384,386</b>

#### 7. Defeased Debt

In a prior year, the Authority defeased a portion of the series 2002A GRBA revenue bonds by placing cash in an escrow fund to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At June 30, 2008, the balance outstanding was \$11,670,000.